



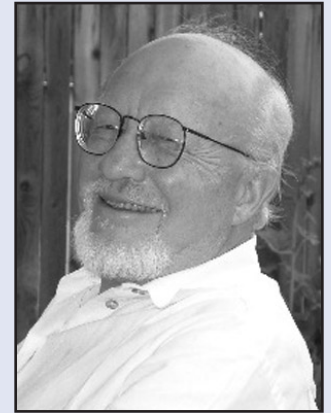
## Inspirations and Opportunities

**E**meritus Professor Stanley Damberger came to DePaul in 1962 as an Assistant Professor of English. He retired as Associate Professor in 1994. He says he was hired “on a handshake” by the then Chair of English, Father Lehane. During his career, he taught mostly undergraduates, but also taught for the Masters of English and in the Masters of Liberal Studies Programs, and served as Director of the Honors Program. He also was the Fulbright representative for the University and helped and encouraged students to apply for scholarships and study abroad programs.

Professor Damberger says that in the early days of his career DePaul was the “Benevolent College under the EL,” with a student population of approximately 9,000, and Father Comerford J. O’Malley was President. He feels that the administration and faculty have always stayed true to the mission of DePaul and devoted to the development of each individual student. This, in addition to the good friends he made here over the years, prompted him to stay at DePaul through a long and meaningful career.

His affection for and dedication to its students is another reason for devoting his teaching life to DePaul. Professor Damberger made a strong impression on his students through his encouragement of high standards and his attention to the needs of students. DePaul alumnus James Licklider had this to say about Professor Damberger: “I took his Honors English course during the first quarter of my freshman year. He expected my very best efforts and challenged me to accept open, constructive criticism with dignity. He pushed, prodded and

cajoled me to develop work and study habits that continue to benefit me today. He both inspired and demanded that I achieve.” The generosity of spirit exhibited by Professor Damberger toward his students is one of the hallmarks of DePaul’s special mission.



*Professor Stanley Damberger*

DePaul has regularly benefited from the generosity of Stanley and Mrs. Madeleine Grigg-Damberger, MD. They have consistently supported the Study Abroad program, believing that the benefits to students who could not otherwise afford to enter the program are enormous. They have also contributed to the John Richardson Library. When they chose to include DePaul in their estate plans, they decided on a Charitable Remainder Unitrust. Because the unitrust was funded by stock gifts, the Dambergers saved on capital gains tax, and also benefited from the income tax charitable deductions. The trust is unique in that it provides income during Professor Damberger’s lifetime and also results in a meaningful gift to DePaul.

Clearly, Professor Damberger has inspired his students through his teaching and advising, motivating them to achieve. His life’s work will be a legacy that lives on through the opportunities he provides to DePaul students now and for years to come.

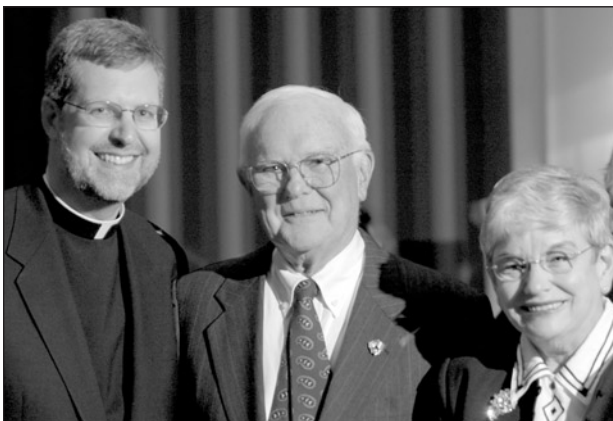


## Custom Design Your Giving with a Charitable Remainder Unitrust

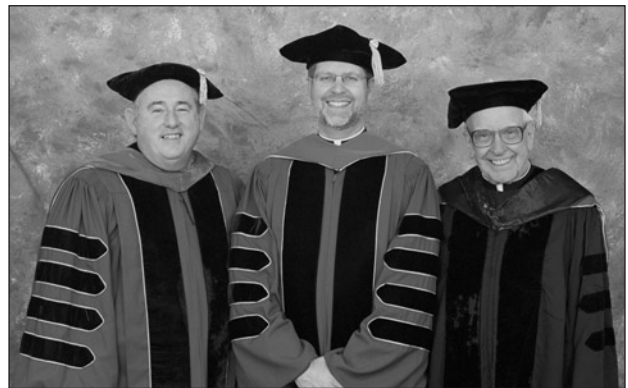
**F**riends who have included, or plan to include, bequests to DePaul University in their wills or living trusts may be better advised to “accelerate their bequests” through a charitable remainder unitrust that provides future assistance to DePaul but also offers lifetime income, income tax deductions, capital gains tax benefits, the assistance of a skilled trustee, the satisfaction (and recognition) of making a lifetime gift and a variety of other potential benefits.

Establishing lifetime unitrusts in many cases can be a solution to personal and family challenges. Indeed, alumni and other friends may find that they truly can enjoy “better living through charitable giving” – particularly through creative application of techniques such as the charitable remainder unitrust.

In recent years, unitrusts have been employed to supplement retirement savings, educate grandchildren, liquidate art collections, sell businesses and support disabled family members – all in the context of invaluable assistance to worthwhile causes and institutions and tax-saving charitable deductions.



*Cortelyou Heritage Society members Jim and Mary Schaefer share a moment with Fr. Holtschneider.*



*Two of DePaul's past Presidents, Rev. John C. Minogue, C.M. (left) and Rev. John Richardson, C.M., flank 11th President Rev. Dennis Holtschneider, C.M.*

### Potential Benefits of a Charitable Remainder Unitrust

Charitable remainder unitrusts have the ability to:

1. Increase a donor's income (or that of a family member) by reinvesting low-yield or no-yield properties for a variable income (generally 5% to 7%) that provides a hedge against inflation;
2. Provide favorably taxed income if careful attention is given to how the trust is funded and invested;
3. Avoid capital gains taxes when property is sold and reinvested by the trustee;
4. Supply income tax and transfer tax charitable deductions (generally 20% to 40% of the amount transferred, depending on the beneficiaries' ages or the length of the trust term);
5. Afford significant personal satisfaction and recognition, including memorializing the life of the donor, a friend or family member.

## A Case Study in Customized Charitable Gift Planning

**C**onsider the case of Mary Smith, a 61-year-old widow. Her two children, Tom and Jane, are professionals earning good incomes. They and their children were well provided for through a trust set up under the will of Mary's husband, Robert. Mary's sister, Amy, age 60, is not so well off. Amy's husband has suffered a series of financial setbacks, and she has little income of her own. Mary would like to do something for Amy – and for DePaul, her alma mater.

Mary owns various properties, including some highly appreciated, low-yield stock worth about \$190,000 and some highly appreciated, undeveloped real estate worth about \$120,000. She has contemplated leaving these assets to charity at death. A number of personal and financial goals might be inferred from the above description, many of which Mary can achieve through a charitable remainder unitrust.

1. Mary can fund a unitrust with the stocks and real estate and retain lifetime payments of 5%, 6% or higher – a significant increase in family income – which can be paid to someone in a low tax bracket, such as her sister Amy,

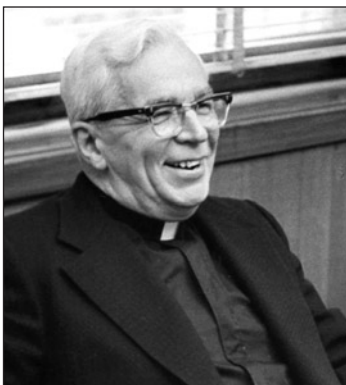
and then to a survivor beneficiary (Mary, herself, for example), if desired. A trustee provides skilled investment and management services, which can be important for many families.

2. The trustee can invest so that trust payments are taxed at low dividend or capital gains tax rates. Through 2007, Mary's sister might pay as little as 5% on her trust income if she is in a 15% tax bracket. In 2008, Amy's payments could be totally tax free. Payments consisting of trust principal or tax-exempt interest also escape taxation.

3. No erosion from capital gains taxes occurs when the trustee sells Mary's stocks and real estate, which leaves the full \$310,000 available for reinvestment.

4. Mary can deduct roughly \$100,000 on her next tax return if the trust is to pay Amy 6% for life. Gift taxes can be minimized, with proper planning.

5. Mary will name this arrangement "The Robert and Mary Smith Memorial Trust" and qualify for membership in the Cortelyou Heritage Society.



*Rev. John R. Cortelyou, C.M.*

### The John R. Cortelyou Heritage Society

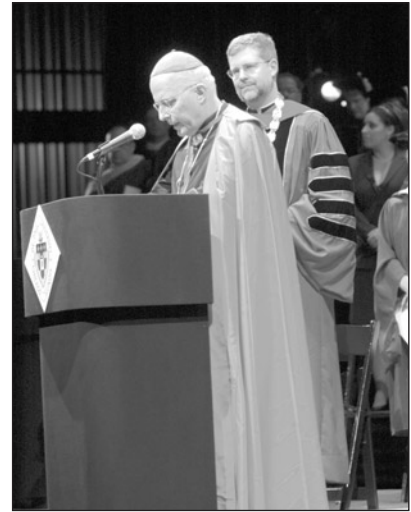
Rev. John R. Cortelyou, C.M. was President of DePaul University from 1964 through 1981 during a period of extraordinary advancement. His legacy is now reflected in the program that bears his name. The Cortelyou Heritage Society honors individuals who demonstrate their commitment to DePaul by making a planned gift today that supports the goals DePaul will realize in the future. Call our office at 312-362-8268 to find out more about this honorary gift club.

# The Remarkable Unitrust

**A** unitrust is an arrangement in which you irrevocably place money or other assets with a trustee, with instructions to pay someone (probably yourself) income, generally for life. When the person receiving the income dies, the property remaining passes to DePaul. By designating the University as the remainder beneficiary, you'll entitle yourself to an income tax charitable deduction.

Our Planned Giving Office has a new booklet – *The Remarkable Unitrust!* – that explains how unitrusts work . . . and how a unitrust might fit your planning needs. We would be happy to send you a copy if you fill out and return the enclosed card.

*Francis Cardinal George congratulates Fr. Holschneider and speaks about the important role of Catholic universities in higher education.*



## Selecting the Best Assets to Fund Charitable Remainder Unitrusts

Anyone desiring to create a charitable remainder trust should give careful thought to what kind of property to place in the trust. Cash is always a good funding option, but many investment assets offer added tax savings.

Real estate that is not subject to a mortgage can be excellent for funding a unitrust. Office buildings and apartments that have been depreciated can be sold and reinvested within the trust without loss to capital gains taxes that run as high as 25%.

Real estate investors who have done well over the years trading property on a tax-deferred basis – so-called “like-kind exchanges” – face severe capital gains taxes when they sell. A good strategy might be to transfer part or all of their holdings to a tax-exempt unitrust, avoid all capital gains taxes, retain an income for life and receive a sizable tax deduction in the bargain.

Publicly traded securities that have appreciated in value are ideal for funding a charitable remainder trust. Donors do not realize capital gain upon the transfer to the trust, and the trustee may sell the stock without causing the donor or the trust to incur current capital gains tax. The trustee then can construct a diversified portfolio, invest for higher yield or tax-favored income, such as qualified dividends.



Joel Schaffer, CFP  
Senior Director of Planned Giving



Office of Planned Giving  
1 East Jackson Boulevard • Chicago, IL 60604  
Phone: (312) 362-8268 • Fax: (312) 362-5112  
E-mail: [plannedgiving@depaul.edu](mailto:plannedgiving@depaul.edu)



Andrea Wynne, J.D.  
Director of Planned Giving